

Exhibit No. \_\_\_\_ (JML-1)

Page 1 of 2

**SOUTH CAROLINA ELECTRIC & GAS COMPANY  
OFFICE OF REGULATORY STAFF'S FIRST AUDIT INFORMATION REQUEST  
October 15 Amendments to the Engineering, Procurement, and  
Construction Contract Related to the Construction of a Nuclear Baseload  
Generation Facility at Jenkinsville, South Carolina**

**REQUEST 1-38:**

Perform an economic analysis of delay scenarios of 18, 24, 36 and 48 months beyond the forecasted commercial operation dates associated with Order No. 2015-661 and with the Amendment. The delay scenarios should provide estimates for the total project cost as well as the revenue requirements associated with the total project cost that customers may incur both during construction and over the operating lives of the Units.

**RESPONSE 1-38:**

SCE&G performed an economic analysis of delay scenarios of 18 and 24 months.

Incremental Project Costs for each delay scenario are shown in the table below:

<b>18 month delay for both Units</b>		
	<b>100%</b>	<b>55%</b>
EPC (LD's & Penalty from WEC)	(676,000,000)	(371,800,000)
Owner's Cost	450,000,000	247,500,000
Total Impact to EPC & Owner's Cost	<u>(226,000,000)</u>	<u>(124,300,000)</u>

<b>24 month delay for both Units</b>		
	<b>100%</b>	<b>55%</b>
EPC (LD's & Penalty from WEC)	(676,000,000)	(371,800,000)
Owner's Cost	600,000,000	330,000,000
Total Impact to EPC & Owner's Cost	<u>(76,000,000)</u>	<u>(41,800,000)</u>

Assumptions and results of the study are shown below:

**Assumptions:**

- 2 Scenarios
  - 18 month delay – Online date 2/28/21, 2/28/22
  - 24 month delay – Online date 8/31/21, 8/31/22

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- No production tax credits (PTCs) are received
- Purchase capacity to fill the gap at prices based on current RFP responses
- Capital costs decrease
  - 18 month delay – \$124,300,000 (55%)
  - 24 month delay – \$41,800,000 (55%)
- Model Inputs used are the same as the Nuclear vs. Combined Cycle study, \$0 CO<sub>2</sub>, Base Gas, Base Loads

**Results:** Below are the 40-year levelized revenue requirement increases from the base case in Dr. Lynch's Comparative Economic Analysis filed with his direct testimony in Docket No. 2016-223-E.

- 40 Year Levelized NPV Increases(approx.)
  - 18 month delay - \$84 M/year
  - 24 month delay – \$84 M/year

In all scenarios referenced in Dr. Lynch's direct testimony, the new nuclear option remains competitive with the combined cycle alternative.